



MAH SING UPBEAT TO EXPLORE NEW GROWTH OPPORTUNITIES IN HEALTHCARE VIA ITS PLASTICS MANUFACTURING DIVISION

Selangor, 2020 - Reputable home-grown company, Mah Sing Group Berhad (Mah Sing) is currently exploring new growth opportunities in healthcare through its plastics manufacturing division via its wholly owned subsidiary, Mah Sing Plastics Industries Sdn. Bhd. (MSPI).

With over four decades of experience since its inception in 1979, MSPI has grown to become one of the largest high-tech plastics product manufacturers in Malaysia – supplying a wide range of plastics products and services to local and international businesses, which saw its products being exported to more than 45 countries around the world.

Research and development as core drivers in plastics division

MSPI has always emphasised on its research and development (R&D) efforts in developing products that meet the fundamental market needs and also cater to the various customised needs of its customers from different industries.

In recent years, MSPI has cultivated methods to process recycled plastics into quality pallets to be more environmentally friendly, whilst reducing the cost to customers. This reflects the company's commitment to reduce, reuse, and recycle for a sustainable ecosystem.

MSPI's Research and Testing Centre carries out extensive tests on its materials and products to ensure the quality of its final products are excellent. Various raw material tests will be conducted on its recycled plastic materials before production. Some of the tests are Moisture Test, Flexural Strength Test, Tensile Strength Test, Density Test, IZOD Impact Test, Melt Flow Test.

MSPI also conducts vigorous and comprehensive tests on its final products such as Dynamic Load Test, Welding Strength Test, Angle Drop Test, Impact Tests, Anti Slip Test, Racking Test, etc. to ensure that it can meet the required usage conditions.

Mah Sing Keen to Explore New Prospects

Mah Sing's Founder and Group Managing Director, Tan Sri Dato' Sri Leong Hoy Kum said, "MSPI has always been very close to my heart. My father founded a plastic trading business back in the 1960s but I initially did not want to join the family business as I wanted to be an engineer. I was eventually persuaded to take up plastics training in Japan. In 1982, I took the lead to spearhead the company and transformed Mah Sing into a manufacturer of proprietary and OEM plastic products. I was involved in all aspect of the business, from product design to marketing and sales, to quality control and just-in-time delivery of the products to my customers.

"By the time we listed the company in 1992, we were already acknowledged as a key player in the plastics industry, with key clients such as Sharp, JVC, and Panasonic, Hitachi, Tupperware, etc. Currently we have one factory in Malaysia, and two in Indonesia, and has shifted our focus to mainly proprietary products. Echoing MSPI's vision 'To Drive Sustainable Growth of Our People, People and Brand,' we are ready to explore new growth opportunities in the near future."

"At the moment, we are still in the preliminary stages of planning. However, we are excited to pursue new growth areas in healthcare. We are keen to pursue opportunities in the production of healthcare product. We intend to leverage on MSPI's proven track record and expertise as a plastics manufacturer in Malaysia on this potential business venture. With our plastics division's ready resources and expertise, we are optimistic for a fruitful endeavour."

The plastics segment has continuously contributed positively to the Group's performance with revenue of approximately RM76.1million and operating profit of approximately RM3.34million recorded for the quarter ended 31 March 2020. In 2019, the plastics division contributed revenue of RM327.1million or 18.3% to the Group revenue.

There is a separate management team for the plastics division, which has been running the division independently for many years. The plastic division currently does not require capex injection from the parent company.

Mr Hong Hock Seng, who joined MSPI in the early days, has expanded the plastics division together with Tan Sri Dato' Sri Leong Hoy Kum to be the market leader it is today. He is currently the Chairman of MSPI.

Mr Lee Foo Keong, a UK trained mechanical engineer, joined MSPI in 1992 shortly after it was listed, and is currently the Executive Director of MSPI. He oversees the plastics manufacturing operations and has been the key proponent of MSPI's continued push for R&D and automation.

Technology driven market leader with proven track record and expansion capabilities

Mah Sing's plastics division comprises operations in Malaysia and Indonesia. The Malaysian operation is a wholly owned subsidiary of the Group, whilst the Indonesian operation is a 65% owned subsidiary with a clientele list ranging from Panasonic, Daihatsu, Toyota, Mitsubishi, Nissan, Mercedes Benz, and Suzuki.

Approximately 40% of the Malaysian plastics' operational sales and revenue are from export, with the top 5 export markets being Singapore, Thailand, Indonesia, Vietnam and Philippines. The Malaysian factory focuses on proprietary products especially material handling products. As for the Indonesian operations, P.T. Mah Sing Indonesia is one of the biggest player in the Original Equipment Manufacturer (OEM) market focusing on large automotive parts in Indonesia.

Currently, the factories in Malaysia and Indonesia have close to 80 units of injection machine ranging from 60 tonnes to 4,000 tonnes clamping force, amongst the largest in ASEAN.

MSPI has leveraged on technology and digitalisation through Industry 4.0 to improve operational efficiency, which include automation to improve quality checks. More than RM16.5million has been invested in automation of production lines in Malaysia. There are 35 plastic injection machines at the manufacturing plant in Malaysia, amongst them the 4,000 tonnes plastic injection machines which are the biggest in Malaysia.

MSPI, which sits on land size of 12 acres, has completed the commissioning of a new manufacturing plant with fully installed production lines in December 2019. Moving forward, MSPI intends to optimise its capacity utilisation. MSPI has grown to become a trusted supplier of durable and high quality products i.e. a wide range of plastic products including industrial containers, furniture, motorcycle safety helmets, pallets and more. In 2017, MSPI introduced a new series of bioplastic furniture, which uses materials derived from non-edible agricultural by-products. Since 2017, MSPI has been producing the "Bioplastics Furniture Series" as an alternative for customers who opt for low-carbon products. Chairs and tables manufactured through these series use TEXa, a patented proprietary bioplastics material, derived from non-edible agricultural by-products such as rice husks. This leads to a reduction in energy consumption and carbon emissions compared to conventional plastics.

In efforts to remain competitive, MSPI will remain focus on integrating energy consumption efficiency into business productivity such as utilisation of Solar Power System, which is in line with its ongoing efforts in becoming a more sustainable entity and making products that are more competitively priced.

To meet the market demand, MSPI aims to continue initiating new ideas and product offerings as well as new selling mechanisms to secure the future and growth of the company. The plans include enhancing current Enterprise Resource Planning system to phase out paper-based approvals and to continue the factories' automation journey.

“For future expansion of MSPI, we will be increasing our factory capacity for the production of plastics pallet and setting up logistic hubs in Southern and Northern regions. We are now also going into the leasing business of plastics pallet rental, which gives more flexibility to some of our customers for various usage. Driven by the vast opportunities within the e-commerce space, we intend to explore the possibility of developing plastics products for the consumer segment as well.” said Mr. Lee Foo Keong.

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**Additional information:**

Incorporated since 1991 and listed on the Main Market of Bursa Malaysia, Mah Sing Group Berhad’s property division currently has 50 projects spread across the property hotspots of Greater KL and Klang Valley, Penang, Johor and Sabah. The Group has proven its versatility with a diverse range of projects, from medium to high-end landed residential properties to Grade A office buildings, hospitality, retail and industrial projects.

Its plastic division Mah Sing Plastics is a market leader in plastic pallets, offering a range of pallets suitable for a wide range of use including in the food and beverage, electronic and electrical, chemical and pharmaceutical, paper and printing industries. The pallets are light weight, safe and easy to handle and cost effective.

Another popular range of products include multi-purpose industrial plastic containers under the MS brand, which are functional, durable and of high quality. Boasting various configurations and specifications, these are suitable for industrial, food and beverage, agriculture, fishery, poultry, household and wholesale distribution use.

Its manufacturing processes strictly adhere to the code of good manufacturing practices and quality control programs. MSPI has been ISO9001 certified since June 2000 and ISO14001 certified since March 2007.

MSPI is also certified by customers as an Eco-Partner affiliate company, which fulfils the standards for control of substances with environmental impact within products and has established a stable environmental quality control system.